

Minutes of the meeting of the Finance Committee of the Board of Directors of the Cook County Health and Hospitals System held Thursday, April 18, 2019 at the hour of 8:30 A.M., at 1950 W. Polk Street, in Conference Room 5301, Chicago, Illinois.

I. Attendance/Call to Order

Acting Chair Hammock called the meeting to order.

Present: Acting Chair M. Hill Hammock (Substitute Member) and Directors David Ernesto Munar and Mary B. Richardson-Lowry (3)

Directors Mary Driscoll, RN, MPH; Ada Mary Gugenheim; and Mike Koetting;

Absent: Chair Robert G. Reiter, Jr. and Director Hon. Dr. Dennis Deer, LCPC, CCFC (2)

Additional attendees and/or presenters were:

Ekerete Akpan – Chief Financial Officer
Jarrod Johnson, MBA, NHA, FACHE – Chief Operating Officer, Stroger Hospital and Central Campus
Charles Jones – Chief Procurement Officer
Terry Mason, MD – Cook County Department of Public Health
Jeff McCutchan –General Counsel

Leticia Reyes-Nash – Director of Programmatic Services and Innovation
Deborah Santana – Secretary to the Board
John Jay Shannon, MD – Chief Executive Officer
Robert Sumter, PhD, FACHE – Chief Information Officer

II. Public Speakers

Acting Chair Hammock asked the Secretary to call upon the registered public speakers.

The Secretary responded that there were none present.

III. Action Items

A. Minutes of the Finance Committee Meeting, March 22, 2019

Director Richardson-Lowry, seconded by Director Munar, moved to accept the Minutes of the Finance Committee Meeting of March 22, 2019. THE MOTION CARRIED UNANIMOUSLY.

B. Contracts and Procurement Items (Attachment #1)

Charles Jones, Chief Procurement Officer, provided an overview of the contractual requests presented for the Committee's consideration. The following individuals provided additional information: Leticia Reyes-Nash, Director of Programmatic Services and Innovation; Terry Mason, MD, Chief Operating Officer, Cook County Department of Public Health; and Robert Sumter, PhD, FACHE, Chief Information Officer. The Committee reviewed and discussed the requests.

III. Action Items

B. Contracts and Procurement Items (continued)

The Committee discussed request number 1, which is a grant award for the Cook County Health Start Initiative. This initiative aims to help eliminate health disparities in Cook County by providing case management support for African American women aged 20-35 at risk for poor birth outcomes, along with their infants and father/partner in the targeted project area. In response to a question regarding outcome measures, Ms. Reyes-Nash indicated that she will provide a copy of the performance monitoring of the grant that is reported monthly to the Health Resources and Services Administration at the U.S. Department of Health and Human Services. Director Richardson-Lowry stated that, while she supports the notion of the grant's purpose, she cautioned that, as this is the third largest county health system in the nation, with one of the largest populations in this affected area, the grant funding is a small amount comparatively. Leveraging that funding will be a business imperative; she is hoping to hear through strategic planning and other avenues how these and other resources will be leveraged. The problem is clearly systemic, but this organization is in the best position, perhaps more than any other hospital system in the City, to address this. She is looking for something bigger, broader, comprehensive and systemic, that engages every aspect of this system.

Director Munar, seconded by Director Richardson-Lowry, moved the approval of request numbers 1 through 18, subject to completion of review by Contract Compliance, where appropriate. THE MOTION CARRIED UNANIMOUSLY.

C. Any items listed under Section III

IV. Report from Chief Procurement Officer

A. Report of emergency purchases

There were none reported.

V. Report from the Chief Financial Officer (Attachment #2)

- **Metrics**
- **Financials: February 2019**

Ekerete Akpan, Chief Financial Officer, provided an overview of the finance metrics. The Committee reviewed and discussed the information.

VI. Recommendations, Discussion / Information Item

A. Strategic planning discussion:

- **Capital Equipment (Attachment #3)**

Mr. Akpan provided an overview of the presentation, which included information on the following subjects:

VI. Recommendations, Discussion / Information Item

A. Strategic planning discussion (continued)

Impact 2020 Updates

- Definitions
- CCH trends Net Capital Assets, Additions and Depreciation Expenses
- Cook County Real Estate Asset Strategic Alignment Plan (REASRP)
- Capital Assets Purchases FY2016 – 2018
- Sources of Financing - Capital Assets Purchases FY2016 – 2018
- FY2019 Capital Planning Priorities
- FY 2019 Planned Capital Expenses

FY2020-2022 Environmental Scan

- Top Issues Confronting Hospitals
- Top Financial Challenges Facing Hospitals
- 2019 Credit Agencies Outlook and Common Themes
- FY2020 Capital Budget Planning Process
- FY2020-2022 Potential Funding Sources

Additional information was provided by Mr. Akpan regarding the financing of capital equipment through the County's capital plan. The County programs CCH needs into their bond issuance and, through the economies of scale and engaging the bond industry as the County of Cook, CCH gets their financing rate within the 4-5% range. That rate is definitely better than that using other financing vehicles. Irrespective of how the County funds CCH, that debt ultimately comes to CCH books as a charge. Going forward, increasingly CCH uses its operational dollars to buy capital equipment. Dr. John Jay Shannon, Chief Executive Officer, noted that CCH used to be the beneficiary of a separate capital budget line approved by the County Board; it was given to CCH parallel to its operating budget. That capital budget line in 2015, but it used to be a substantial source of funding.

Director Richardson-Lowry inquired regarding the outlook/comments referenced from the credit rating agency Standard & Poor's; she inquired whether their outlook ever deviated for not-for-profits. Mr. Akpan responded that he will check and provide the response through the Chair.

• Diagnostic / Specialty Services (Attachment #4)

Jarrold Johnson, MBA, NHA, FACHE, Chief Operating Officer of Stroger Hospital and Central Campus, provided an overview of the presentation, which included information on the following subjects:

- Overview of Departments
- Organizational Chart
- Impact 2020 Update – Status and Results
- FY2020-2022: The Future – Environmental Scan of Market, Best Practices and Trends
- Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
- FY2020-2022 Future Recommendations
- Appendices

VI. Recommendations, Discussion / Information Item

A. Strategic planning discussion (continued)

Following the review and discussion of the information, Director Richardson-Lowry stated for the record that, as Stroger Hospital has been perceived as the hub for the System, she is encouraging a little more substance and detail to be built into this with respect to the plan, and more alignment from a strategic planning standpoint. From an operational imperative standpoint, typically there are connecting points, and there is a series of cascades associated with those connecting points; then it leads to what is happening with respect to how Stroger Hospital is relating to nursing, clinical, and other areas. Additionally, as an operational imperative, there is always going to be a financial impact, so that information should be included. Director Driscoll indicated that she is interested in seeing information on how CCH is planning to grow its diagnostic services - how they will be designed, which services will be chosen, and where they will be located.

VII. Adjourn

As the agenda was exhausted, Acting Chair Hammock declared the meeting
ADJOURNED.

Respectfully submitted,
Finance Committee of the
Board of Directors of the
Cook County Health and Hospitals System

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M. Hill Hammock, Acting Chair

Attest:

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Deborah Santana, Secretary

Follow-up / Requests:

- Follow-up: A copy of recent performance monitoring relating to the grant award for the Cook County Health Start Initiative (request number 1 under Contracts and Procurement Items) will be provided to the Committee. Page 2
- Follow-up: Information relating to a historical perspective on Standard & Poor's outlook/comments on not-for-profits was requested. Page 3